

PART I – THE SCHEDULE

**SECTION B - SUPPLIES OR SERVICES AND PRICES/COSTS
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B.1 TYPE OF CONTRACT AND SERVICES BEING ACQUIRED

This is a performance-based cost-plus-award-fee contract with cost and schedule incentives for the West Valley Demonstration Project (WVDP) and includes the facility disposition, stewardship, maintenance and operational activities as currently authorized under the existing regulatory framework at WVDP. The contractor has the responsibility for determining the specific methods and approaches for accomplishing the identified work. This contract applies performance-based contracting approaches and expects the contractor to implement techniques that emphasize safe, efficient, and measurable results.

B.2 TOTAL ESTIMATED COST AND FEE

Contract Transition Period (Estimated to begin May 1, 2011, and end June 30, 2011)

Estimated Cost \$ _____

No fee is payable for the contract transition period.

Remaining Contract Period (Estimated to begin on July 1, 2011, and end no later than April 30, 2018)

Contract Line Items (CLINs) and Performance Work Statement (PWS) Elements

CLIN 001

C.1.0 - Project Support Services
C.2.0 - Site Operations, Maintenance, and Utilities
C.3.0 - Permeable Treatment Wall (PTW) Management
C.6.8 - Low-Level Radiological Waste Treatment System Operations
C.7.0 - Waste Tank Farm
C.8.0 - NRC – Licensed Disposal Area (NDA)
C.10.0 – Safeguards and Security

CLIN 002

C.5.0 - High Level Waste Canister Storage

CLIN 003

C.6.1 - Main Plant Process Building Demolition and Removal
C.6.2 - Vitrification Facility Demolition and Removal

CLIN 004

C.6.4 - Remote Handled Waste Facility

CLIN 005

C.6.6 - Balance of Site Facilities Decommissioning

CLIN 006

C.9.0 – Waste Management and Nuclear Materials

Total Estimated Cost and Fee

<u>CLIN's</u>	<u>Est./Target Cost</u>	<u>Available/Target Fee</u>	<u>Total Price</u>
CLIN 001	\$ **	\$ **	\$ **
CLIN 002	\$ **	\$ **	\$ **
CLIN 003	\$ **	\$ **	\$ **
CLIN 004	\$ **	\$ **	\$ **
CLIN 005	\$ **	\$ **	\$ **
CLIN 006	\$ **	\$ **	\$ **
TOTAL	\$ **	\$ **	\$ **

Component 1: Award Fee

Total Estimated Cost for CLIN's 001, 004, and 005	\$ **
Total Available Award Fee	\$ **
Total Cost and Fee	\$ **

Components 2 and 3: Performance Based Incentives (PBI's) – Schedule and Cost Incentives**PBI Fee Table for Milestone/Schedule Incentives – 80% Weight**

Performance Based Incentive	A. Milestone Date	B. Estimated Target Cost	C. Max. Schedule Incentive Fee @ 9.6%	D. Target Schedule Incentive Fee @ **%	E. Min. Schedule Incentive Fee @ 1.6%	Total Est. Cost = B + D per CLIN/PWS
CLIN 002	**	**	**	**	**	**
CLIN 003	**	**	**	**	**	**
CLIN 006	**	**	**	**	**	**

**to be proposed by Offeror and inserted at time of contract award

The Target Schedule Incentive Fee for each CLIN/PWS identified in this section will be reduced by 0.8% of the Estimated/Target Cost for every month the CLIN completion date falls after the Milestone Date established for receipt of the Target Fee. Additionally, the Target Schedule Incentive Fee for each CLIN/PWS identified in this section will be increased by 0.4% of the Estimated/Target Cost for every month the CLIN completion date falls before the Milestone Date established for receipt of the Target Schedule Incentive Fee.

PBI Fee Table for Cost Incentives – 20% Weight

Performance Based Incentive	A. Estimated Target Cost	B. Max. Cost Incentive Fee @ 2.4%	C. Target Cost Incentive Fee @ **%	D. Min. Cost Incentive Fee @ 0.4%	Total Est. Cost = A + C per CLIN/PWS
CLIN 002	**	**	**	**	**
CLIN 003	**	**	**	**	**
CLIN 006	**	**	**	**	**

**to be proposed by Offeror and inserted at time of contract award

For total allowable costs greater than or less than the estimated target cost, the Contractor's fee may be increased up to the Maximum Cost Incentive Fee for cost savings or decreased down to the Minimum Cost Incentive Fee for cost overruns using the following share ratio:

Government's share: 80%

Contractor's share: 20%

Fee Limitations: Cost and schedule incentive fee will be calculated separately for CLIN's 002, 003, and 006, and fee limitations are set at a maximum of 12% of target costs and a minimum of 2% of target costs for combined schedule and cost incentive fee per CLIN/PWS identified in this section. The Maximum Schedule Incentive Fee is 9.6% (12% fee at 80% allocation) of the Estimated/Target Cost, and the Minimum Schedule Incentive Fee is 1.6% (2% fee at 80% allocation) of the Estimated/Target Cost. The Maximum Cost Incentive Fee is 2.4% (12% fee at 20% allocation) of the Estimated/Target Cost, and the Minimum Cost Incentive Fee is 0.4% (2% fee at 20% allocation) of the Estimated/Target Cost.

Cost and Schedule Incentive Fee Determination: The cost and schedule fee incentive determinations for CLIN's 002, 003, and 006 will be made by the Fee Determining Official in accordance with this section and when the Contractor has satisfactorily completed all activities under each of these CLIN's. The incentive fee determinations will be based on the milestone completion dates and total actual costs for each of these CLIN's, and final acceptance will be governed by Section E and by the completion criteria specified in this clause for CLIN's 002, 003, and 006.

Definition of Completion for CLIN 002

Title: Complete High Level Waste (HLW) Canister Relocation at WVDP

Description: The Contractor shall be responsible for all planning, coordination, certification, regulatory approval, management and labor necessary to complete all activities required to relocate the HLW in accordance with the Performance

Work Statement.

The Contractor shall be responsible for completion of all actions required to accomplish the work described herein including but not limited to obtaining all licenses, permits, approvals, etc. necessary to accomplish work under this PBI, as well as identification and resolution of impediments and obstacles to successful completion of the incentive.

Cost Constraint/Incentive: All work associated with this incentive shall be completed within the approved cost account planning report applicable to the work.

Completion: The Contractor shall have completed the following activities. Completion of these activities will achieve the HLW Canister Relocation.

- (a) Complete modifications, as necessary, to the HLW Interim Storage Facility (the former Chemical Process Cell in the MPPB), the Equipment Decontamination Room, and the Load-In/Load-Out Facility to support removal and packaging of the HLW;
- (b) Complete construction of the Cask Storage Pad;
- (c) Complete construction of the HLW Storage System;
- (d) Obtain necessary licenses and/or certifications for the storage system;
- (e) Obtain NRC Certificate of Compliance for shipping of HLW;
- (f) Obtain approval for all necessary changes to the Waste Form Compliance Plan (WCP);
- (g) Complete upgrades, as necessary, to site roadways and facilities;
- (h) Complete all required readiness reviews/evaluations; and
- (i) Complete the relocation of 275 Vitrified High Level Waste (HLW) Canisters, two evacuated canisters, spent nuclear fuel debris from the HLW Interim Storage Facility, and other HLW forms as may be applicable, to a new HLW Canister Interim Storage System

The Contractor shall disposition all waste resulting from work under this incentive that has a path for disposal, and characterize and package all waste without a pathway for disposal.

All physical activities shall be completed by **[completion date to be proposed by Offerer and inserted at time of contract award]**.

Property records identifying and tracking appropriate handling and disposition of property affected under this incentive are considered sufficient evidence that property was handled appropriately.

Completion Documents List:

- (a) Costs, manpower, resources, and schedules used to complete this incentive;
- (b) Activities conducted to complete this incentive;

- (c) As-built and revised facility/site drawings and documentation of utility re-routing and isolations or operability;
- (d) Lessons learned and issue resolution;
- (e) HLW volumes removed, processed, repackaged and stored;
- (f) Container and configuration data records documentation;
- (g) Radiological/Characterization Surveys (pre and post) of the HLW Container Interim Storage System location; and
- (h) Certificate of Compliance to ship HLW canisters

Technical Boundary Conditions: The work will be performed in conformance with approved procedures governing waste packaging, characterization, storage and/or shipping and disposal.

Assumptions: The work associated with the activity shall be completed in accordance with contract terms and conditions, full compliance with ISMS and ES&H requirements, and Contractor performance will be evaluated as specified in the Award Fee Evaluation Plan (AFEP). The Site Wide Characterization Contractor will survey soils below and in the vicinity of the HLW Container Interim Storage Facility prior to construction.

Definition of Completion for CLIN 003

Title: Demolition and Removal of the Main Plan Process Building (MPPB) and the Vitrification (Vit) Facility

Description: The Contractor shall demolish the MPPB and the Vit Facility, and complete waste management activities for all waste streams in accordance with the Performance Work Statement (PWS).

The Contractor shall be responsible for all planning, coordination, management and labor necessary to demolish the MPPB and Vit Facilities and obtain regulatory and DOE approval of the demolition plan(s) as needed. All waste management activities shall be completed in accordance the PWS. The Contractor shall provide a schedule and detail of activities for accomplishing work under this incentive.

Contractor shall be responsible for completion of all actions required to accomplish the work described herein including but not limited to obtaining all licenses, permits, approvals, etc. necessary to accomplish work under this PBI, as well as identification and resolution of impediments and obstacles to successful completion of the incentive.

Cost Constraint/Incentive: All work associated with this activity shall be completed within the approved budget defined in the applicable cost account planning report (CAPR).

Completion: For the MPPB and Vit Facility demolition, the incentive is

considered complete when all of the following conditions have been met:

- (a) Structures, equipment, debris, and waste has been removed;
- (b) Piping and conduit into and out of the remaining foundation below the nominal 100 +/- 3-ft reference elevation has been isolated;
- (c) All waste resulting from work under this incentive that has a path for disposal has been properly disposed of off site at a DOE approved facility;
- (d) All waste without a pathway for disposal for storage has been properly characterized and packaged and stored in existing on-site storage facilities;
- (e) All approvals for permits required for demolition have been received and provided to DOE;
- (f) All characterization data has been validated and provided for review;
- (g) Storm water and ground water are prevented from entering or exiting the remaining structure; and
- (h) A final report is provided and accepted by DOE containing at a minimum the completion documents list

All activities shall be completed by **[completion date to be proposed by Offerer and inserted at time of contract award]**.

Note: Evidence of waste shipment is NOT evidence of completion - only evidence that the waste has been accepted at the receiver site is proof of completion. For waste where liability is attached until final disposal is complete, the only acceptable proof of completion is actual disposal records.

Completion Documents List: The Contractor shall provide a final report to DOE documenting the following information (if applicable to this incentive):

- a) Costs, manpower, resources, and schedules used to complete the PBI;
- b) Activities conducted to complete the PBI;
- c) Revised facility/site drawings and documentation of utility re-routing and isolations or operability;
- d) Lessons learned and issue resolution;
- e) Waste volumes removed, processed, repackaged, stored, shipped, and disposed;
- f) Container data records and disposal facility receipt documentation;
- g) Radiological Characterization Surveys of the remaining structures after Contract demolition activities are complete; and
- h) Copies of approved permits.

Technical Boundary Conditions: All work will be performed in conformance with procedures governing demolition and waste packaging, characterization, storage and/or shipping and disposal; as well as any other applicable procedures and contract requirements.

Assumptions: The work associated with the activity shall be completed in

accordance with contract terms and conditions, full compliance with ISMS and ES&H requirements, and Contractor performance will be evaluated as specified in the Award Fee Evaluation Plan (AFEP).

Definition of Completion for CLIN 006

Title: Process, ship and dispose of all Legacy Waste off site

Description: The Contractor shall be responsible for all planning, coordination, management and labor necessary to ship all Legacy Waste for final off site disposal at a DOE approved facility in accordance with the Performance Work Statement. Contractor shall provide a schedule and detail of any additional waste retrieval facility modification activities for accomplishing work under this incentive. The schedule shall be provided to DOE at least 5 days prior to the first scheduled activity in the plan. Contractor shall be responsible for completion of all actions required to accomplish the work described herein including but not limited to obtaining all licenses, permits, approvals, etc. necessary to accomplish work under this PBI, as well as identification and resolution of impediments and obstacles to successful completion of the incentive.

Cost Constraint/Incentive: All work associated with this incentive shall be completed within the approved cost account planning report applicable to the work.

Completion: Contractor will dispose of the Legacy Waste at an approved off-site licensed disposal facility. All physical activities shall be completed prior to the end of the contract period. [Note: Evidence of waste shipment is NOT evidence of completion - only evidence that the waste has been accepted at an appropriate receiver site is proof of completion.] For waste where liability is attached until final disposal is complete, the only acceptable proof of completion is actual disposal records. All activities shall be completed no later than **[completion date to be proposed by Offerer and inserted at time of contract award]**.

Completion Documents List: On a monthly basis, the Contractor shall transmit a report to DOE that identifies the number of waste inventory removed from the facility (production rate), waste inventory remaining in the facility, type of waste, amount of waste prepared for shipping, the number (and volume) of packages shipped off site for disposal, issues encountered, and lessons learned regarding this activity. The monthly report will be transmitted as part of routine operations. A final report will be provided after documentation is received confirming final off site disposal of all of waste documenting the final data roll-up from the monthly reports, and the cost, schedule, manpower and resources used to complete this activity. Documentation of the waste volumes removed, container data records, disposal facility receipt documentation, and evidence of disposal are acceptable documentation of completion of work under this incentive.

Technical Boundary Conditions: The work will be performed in conformance

with approved procedures governing waste packaging, characterization, storage and/or shipping and disposal.

Assumptions: The work associated with the activity shall be completed in accordance with contract terms and conditions, full compliance with ISMS and ES&H requirements, and contractor performance will be evaluated as specified in the Award Fee Evaluation Plan (AFEP).

B.3 AWARD FEE

- (a) The contractor shall earn award fee as detailed below. The contractor shall not earn any fee for contract transition.
- (b) The total available award fee for the contract period can be earned through objective and/or subjective fee components consisting of award fee criteria and/or performance based incentives (PBIs). The PBIs proposed by the contractor and agreed to by DOE will become a part of the Award Fee Plan. These components and available award fee for the periods will be provided in the Award Fee Plan.
- (c) The CO will prepare and issue the Award Fee Plan prior to the start of each fiscal year. The CO may provide draft award fee criteria and PBIs for contractor review and input; however, the CO reserves unilateral discretion to issue and modify the Award Fee Plan without contractor review. The PBIs may be a combination of single year and multi-year. The award fee plan may be revised unilaterally by the Government at any time during the period of performance. Notification of such changes shall be provided to the Contractor 30 calendar days prior to the start of the evaluation period to which the change will apply.
- (d) The amount of earned total award fee shall be unilaterally determined by the Fee Determining Official (FDO) semi-annually. This determination shall be based upon the FDO's evaluation of the contractor's performance, as measured against the Award Fee Plan. Upon the FDO's final determination of the earned award fee for each evaluation period, the contractor may invoice the fee amount. The FDO may authorize payment of objective PBIs once performance of certain areas within the Performance Work Statement to which those PBIs are tied in the Award Fee Plan have been completed and evaluated.
- (e) Any unearned award fee from each evaluation period will not be eligible to be earned in any future period(s).

B.4 OBLIGATION OF FUNDS

Pursuant to the clause in Section I, FAR 52.232-22, Limitation of Funds, total funds in the amount of \$ TBD have been allotted for obligation and are available for payment of services provided from the effective date of this contract through TBD.

B.5 ALLOWABILITY OF SUBCONTRACTOR FEE

If the Contractor is a consortium, joint venture, or other teaming arrangement, the fee earned may be distributed by the Contractor among the team members, as it deems appropriate. Separate additional subcontractor fee for teaming members shall not be considered an allowable cost under the contract. If a separate subcontractor, supplier, or lower-tier subcontractor is a wholly owned, majority owned or affiliate of any team member, any fee or profit earned by such entity shall not be considered an allowable cost under this contract unless approved by the Contracting Officer.

B.6 DOE AUTHORIZATION OF WORK

The CO will authorize work as follows:

- (a) The contractor is authorized to conduct work in accordance with the approved baseline, subject to the limitations of the Section B clause, Obligation of Funds.
- (b) The contractor's initial Project Execution Plan shall detail the work activities to be performed. Until DOE approves the contractor's baseline, the Project Execution Plan will be used to authorize work.
- (c) After the baseline has been approved by DOE, the contractor shall work to the baseline. The contractor shall develop and maintain the baseline in accordance with Clause H.18, Project Control Systems and Reporting Requirements. When required, the CO may make changes within the general scope of the contract in accordance with the Changes clause. The CO has review and concurrence authority during the baseline change management process. As additional activities and facilities are deemed available, the baseline change management process will be utilized for work authorization and could result in contract modifications to adjust scope and schedule.

B.7 ADVANCED UNDERSTANDING - CHANGES TO CONTRACT COST AND CONTRACT FEE

The contractor is responsible for total performance under this contract, including selecting the specific approaches and methods to perform all work. For all contract work within the control of the contractor, the consequences of any adverse contractor work performance; consequences of any regulatory actions in response to adverse contractor work performance; and/or inability to accomplish the contractor's proposed technical approach shall not be a basis for an upward adjustment to the fee(s) of the contract.

The contractor is entitled to a change in contract cost, but not fee, for contributions to any defined benefit pension plan or medical plan.

B.8 AUTHORIZATION OF TRANSITION COSTS UNDER THE CONTRACT

- (a) Contract transition is a 60-day period of time prior to the date the Contractor assumes full responsibility. During the transition period, the Contractor shall perform those activities necessary to be prepared to assume full responsibility for the contract requirements. During the transition period, the Contractor shall bring to the site its management team and other staff necessary to plan and conduct those activities that provide for an orderly transfer of responsibilities and accountability. The Contractor shall coordinate its activities with DOE and the incumbent Contractor so as to accomplish these activities in a manner that will provide an effective transition of personnel and work activities while minimizing the cost of this effort.
- (b) The Contractor shall put into place any agreements it deems necessary between it and other site contractors/subcontractors for provision of services. Any agreement that requires DOE consent will be subject to a 30-day review and approval period.
- (c) All transition costs shall be included in the total estimated cost of this contract.

B.9 TRANSITION ACTIVITIES

- (a) During the transition period, as specified in the clause in Section F entitled "Period of Performance," the Contractor shall perform those activities that are necessary to transition work from the incumbent contractor in a manner that (1) assures that all work for which the Contractor is responsible under the contract is continued without disruption; (2) provides for an orderly transfer of resources, responsibilities, and accountability from the incumbent contractor; and (3) provides for the ability of the Contractor to perform the work in an efficient, effective, and safe manner. The Contractor is responsible for providing all necessary personnel during the transition period, unless specifically directed otherwise by the Contracting Officer. The Government will provide logistical support (office space, computers, telephone, etc.) to the Contractor during the transition period. The office space provided will be at the Ashford Office Complex located at 9030 US Route 219, West Valley, NY 14171.
- (b) The Contractor shall submit a transition plan and budget to the Contracting Officer for approval on the contract award date. The plan shall include a schedule of major activities, and address as a minimum:
 - Communication process among DOE, the incumbent WVDP Contractor, assigned subcontractors, incumbent employees, and other WVDP contractors;

- Identification of key transition issues and milestones;
 - Identification of a transition team (inclusive of consultants and teaming members, if any);
 - Integration of work packages (direct and indirect) and budgets from incumbent contractors;
 - Approach to minimizing impacts on continuity of operations;
 - Dispute Resolution;
 - Human resource management;
 - Implementation of existing or proposed management and operating systems (e.g., Project Management, Integrated Safety Management Operating Procedures, General Electronic Data Processing, Budget and Planning, Purchasing Material, Compensation, Labor/Payroll, Indirect and Direct Costs, Property Management, Billing and Estimating);
 - A cost breakdown sufficient to support the proposed transition budget;
 - Development of all interface control documents;
 - Assumption of permits, applications, licenses, and other regulatory documents
- (c) During the transition period, the Contractor shall prepare and submit a Statement of Material Differences documenting the material differences between the actual and documented conditions of the systems, facilities, waste sites, property and services.
- (d) After completion of the transition activities contained in the approved transition plan and such other transition activities as may be authorized or directed by the Contracting Officer, the Contractor shall notify the Contracting Officer in writing that it is ready to assume full responsibility for the work. The Contractor shall assume full responsibility for the work upon the date specified in writing by the Contracting Officer.